



Denali Commission Update February 2004

Investment Policy

A revised Draft Investment Policy (as of February 2004) will be posted to the Denali Commission's website (www.denali.gov) in mid-February for further public review and comment. This draft policy will continue to serve as a guide for Denali Commission staff and partners until formal action is taken by the full Commission in April. Written comments on the revised policy should be received at the Denali Commission by **Wednesday, March 31, 2004**. For more information, please contact Yuri Morgan (907.271.2372, 907.271.1415 fax, ymorgan@denali.gov).

The Denali Commission is committed to accelerating the building of sustainable infrastructure in rural Alaska to enhance the health and safety of rural residents and to provide the underpinnings for economic opportunity. The Investment Policy is intended to help the Commission deliver the greatest possible benefit to the greatest number of Alaskans by providing measured responses to site specific conditions. The policy provides guidance for designers to tailor facilities based on investment indicators such as size of community and population trends, imminent environmental threats, proximity/access to existing services and/or facilities, per capita investment benchmarks, unit construction cost, and good faith. These indicators along with other relevant information provide an investment framework which will guide the selection and appropriate funding of sustainable projects by the Commission and its program partners. The policy also provides guidelines for consideration of appropriate alternatives where investment in standard facilities is not warranted. Alternatives include smaller, modular or relocatable facilities, and/or limited services as appropriate.

Denali Training Fund

The Denali Training Fund was established by the Denali Commission to ensure that rural residents have the skills to become employed on the construction, operations and maintenance of Denali Commission and other State and Federal funded public infrastructure projects. The Fund is managed by the State of Alaska Department of Labor and Workforce Development (DOL).

The deadline for applications was December 15, 2003.

For more information or to apply:

Download an application from www.denali.gov (under Programs – Training) or contact:

Gerry McDonagh, Grants Administrator

State of Alaska, Alaska Workforce Investment Office

(907) 269-4551

Multi Use Facility

The 13 communities who advanced through the LOI process have until February 20th to submit the required proposal and documents for funding consideration. The Denali Commissioners allocated up to \$2.5 million to be used for qualifying Multi-Use facilities. Please contact Rachael Petro, Multi Use Facilities Program Manager, at rpetro@denali.gov or 907-271-1414 with questions.

Washeterias

On December 18, 2003, Requests For Proposal letters were sent to eight communities inviting them to participate in the FY 2004 Washeteria Program. All communities submitted Letters of Interest and were in good standing with the IRS. Proposals are due February 27, 2004. Anticipated funding is \$2.5M. Communities include: Anvik, Chignik Lake, Chistochina, Kwigillingok, Nightmute, Nunapitchuk, Pilot Point, and Pitka's Point.

Projects initiated during FY 02 and 03 will go onto the new, on-line reporting system after January 1, 2004. Of the 19 projects in motion, eight are expected to file close-out documents during the next quarter.

Energy Program

For Federal Fiscal Year 2004 the Commissioners authorized allocation of up to \$70 million for bulk fuel and power projects meeting Commission criteria subject to available funding ([Resolution 04-01, http://www.denali.gov/dcpdb/resolutions/Resolution04-01.pdf](http://www.denali.gov/dcpdb/resolutions/Resolution04-01.pdf)). Current funding likely to be available for the year is \$35.6 million. Bulk fuel and power upgrade projects will be selected from the statewide priority lists in consultation with Alaska Energy Authority (AEA) and Alaska Village Electric Cooperative (AVEC). An RFP for energy cost reduction projects will be issued through AEA in February. This represents the Denali Commission's third offering of funding for cost reduction projects.

In addition, the Commissioners authorized up to \$22.06 million for several energy-related projects named in the FFY04 Energy and Water Development Appropriations Act. Again, this funding is subject to available appropriations, which are currently limited to \$8.9 million. These projects also are subject to complying with Denali Commission criteria to receive funding, such as having other funding in place to complete the project, having required matching funds available, having site control for construction projects, etc.

The energy program receives about 60% of the Commission's funding for infrastructure projects. Energy projects have received over \$174 million since the genesis of the Denali Commission, including \$56.95 million in FFY 2003. This is leveraging over \$110 million from other funding sources. The two primary energy program partners used to complete projects are Alaska Industrial Development and Export Authority/Alaska Energy Authority (AIDEA/AEA) with \$106.5 million for statewide energy projects plus \$7.9 million for legislative energy projects and Alaska Village Electric Cooperative (AVEC) with \$54 million presently funded for statewide energy projects. Four new energy program partners are added this year: Chugach Electric Association, Alaska Electric Light & Power, Four Dam Pool Power Agency, Alaska Power & Telephone, and Southeast Conference.

Other Energy News of Interest

RUS announced a nationwide Notice of Funding Available application period for High Energy Cost Grant Awards for their remaining \$11.3 million in FFY 2003 appropriation for projects in extremely

high energy cost communities. Applications are due by March 5, 2004. See:
<http://www.usda.gov/rus/electric/hecg2004/index.htm> for application and instructions. .

Rural Energy Conference Scheduled for April 27-29, 2004 in Talkeetna. For more information see:
<http://www.uaf.edu/aetdl/conferences.html>.

Energy Program Contact Information:

Organization	Contact
Denali Commission	Kathy Prentki, (907) 271-1414
AIDEA/AEA	Mike Harper, (907) 269-3000
AVEC	Meera Kohler, (907) 561-1818
Energy Policy Advisory Committee	Eric Yould, (907) 563-2550

Health Facilities Program

FY04 Funding Strategy

At the 1-23-04 Denali Commission Quarterly Meeting in Sitka, AK the Commissioners approved the following FY04 Funding Strategy for the Health Facilities Program pending allocation of Federal funds:

Primary Care	\$26.175 MM
“Other Than” Primary Care	\$8 MM
Elder Supportive Housing Services	\$4 MM
Domestic Violence Shelters	\$4.75 MM
TOTAL	\$42.925 MM

Commissioners also indicated at the 1-23-04 meeting that they desired further prioritization criteria and process selection developments for the “other than” primary care program. As a result, Health Facility Staff will be developing a draft set of evaluation criteria and other components of a prioritization process that will be presented to the Health Steering Committee in February. It is expected that regional health strategies will be a significant component of the prioritization process. Applicants who submitted projects under the “construction ready” LOI process as well as the “conceptual planning” LOI process will be reevaluated using the newly drafted criteria, and should anticipate notification regarding requests for full proposals in March or April.

January 30, 2004 was the deadline for all conceptual planning project LOIs. November 25, 2004 was the deadline for all “construction ready” LOI submissions in Funding Categories 3 (primary care in rural hospitals), 4 (assisted living) and 5 (behavioral health). Commission Staff and our Program Partners will review each of the LOI submissions and request full proposals as appropriate, using the criteria discussed above.

Primary Care Clinics, Frontier Extended Stay Clinics/Community Health Centers, and Rural Hospitals-Primary Care Facility Improvements applicants will use the existing Commission process and business plan to apply for FY04 funds (available on the Commission’s website, www.denali.gov). Both the FY 2004 NOFA and LOI document are available on the Commission’s website: www.denali.gov, under the “Announcements” section on the homepage, or under the Health Program section.

Revised Template Clinic Business Plan and Conceptual Planning Projects

Revision of the Commission's Clinic Business Plan Template is underway, and the final version of the Template should be available in mid-February. Business Plan modules are also under development for behavioral health, hospital, assisted living/elder supportive housing services, and "other" project applicants. The modules should be available four weeks after completion of the revised Template.

Addendum No. 2 to the Notice of Funding Availability for FY03 Health Facility Funding

On January 29th the Commission approved construction funding for the following eleven communities: Buckland, Klukwan, Chitina, Huslia, Old Harbor, Tetlin, Chignik Lake, Kokhanok, Manokotak, Teller, and Clark's Point. Our Program Partner, ANTHC, will develop sub-award documents with each community.

Water Export Study

Northern Economics is nearing the finish line with the Water Export Study. We received comments on the draft water export study report from a variety of interested parties and Northern Economics is incorporating them into the report as appropriate. They expect to have the final report to us soon. We will post it on our web site when it is finished.

The Denali Commission received limited federal fiscal year 2003 funding to study the rural development opportunities, costs and logistics of shipping and marketing new domestic water supplies outside of Alaska. The Commission selected Northern Economics to produce the Water Export Study detailing the financial and technical feasibility of water export from Alaska.

The Commission received the draft study report in December, which is posted on our web site, www.denali.gov. The Commission is requesting comments from Alaskan water sales businesses, their affiliates, or interested parties through January 15. Program contact: Paul McIntosh, (907) 271-1640, pmcintosh@denali.gov.

Mini-Grant Program

The Denali Commission and the Forest Service have co-funded the Mini-Grant program for the last several years, and the Alaska Department of Community and Economic Development, Division of Community Advocacy (formerly the Division of Community and Business Development) has managed the program. On April 30, 2003, the Commission authorized continuation of funding for the Mini-Grant program, and allocated \$250,000 to the program. The Forest Service co-funded the program with \$320,000.

Of the 62 applicants that passed the threshold review this year, DCED offered Mini-Grants to 17 successful applicants. Commissioner Blatchford notified applicants of the results in late October. For list of the latest awards, see: http://www.dced.state.ak.us/dca/grt/pub/FY04_Mini-Grant_Award_List.pdf.

For 2004 Mini-Grant program information, see: http://www.dced.state.ak.us/mra/GRT/MRAD_rda.htm.

The Commission will consider further funding for this program at its January Quarterly Meeting. Program contact: Jo E. Grove, (907) 452-4468; Jo_Grove@dced.state.ak.us

Alaska Growth Capital

The Commission has invested over \$3.8 million in the Alaska Growth Capital (AGC) program to help stimulate private sector business in distressed rural Alaska communities. AGC focuses on businesses that don't have access to commercial loans.

In 2002 AGC made 18 loans for a total of over \$20 million. AGC continues to finance businesses throughout rural Alaska and support them with high quality technical assistance.

On April 30, 2003, the Commission allocated an additional \$1 million to be awarded to Alaska Growth Capital under revised performance standards. The Commission will consider further funding of this program at its January Quarterly Meeting. For more information, see:

<http://www.alaskagrowth.com/main.html>. Program Contact: David Hoffman, (907) 339-6760

Initiative for Accelerated Infrastructure Development

The Commission decided at its January 2003 meeting to continue partial funding of this community profile mapping program with a second allocation of \$300,000. Alaska Department of Community and Economic Development will manage the mapping effort.

USDA Rural Development, Alaska Department of Community and Economic Development (DCED), Alaska Department of Transportation and Public Facilities, Alaska Village Electric Cooperative, Alaska Native Tribal Health Consortium, Boroughs, communities, Alaska Regional Development Organizations, and Community Development Quota organizations have all contributed or pledged funding for completion of additional community profile maps.

The first regions to participate in this accelerated mapping program are the Lake and Peninsula Borough and the Aleutians East Borough. Work is well under way on maps for the communities in these Boroughs. Aerial photography has been completed for 10 communities in the Bristol Bay region. The Coastal Villages Region Fund (CDQ) is actively pursuing matching funds for mapping of 8 communities in the Lower Kuskokwim area. Kawerak, Inc., in coordination with the Bering Straits Economic Development Council (ARDOR), is also pursuing matching funds to map 15 communities in the Bering Straits area. DCED is in discussions with potential partners in other regions to generate interest in mapping more communities through this program. The Commission will consider further funding of this program at its January Quarterly Meeting.

For more information, see: <http://www.dced.state.ak.us/cbd/mapping.htm>.

Program Contact: John Gliva, 269-4588; john_gliva@dced.state.ak.us

Access

As the Denali Commission continues its primary commitments in the energy and health arenas, there is on the horizon the potential for the Commission to address some of Alaska's basic access infrastructure needs. While its involvement in Access remains uncertain, the Commission has been working to understand opportunities for its participation. The Commission has met with many individuals and organization representatives from around the state to gain their perspectives and recommendations on a potential role for the Commission in addressing unmet needs. The Denali Commission will continue in an information gathering mode through 2004. For more information on the Commission's efforts on issues relating to access, please contact Yuri Morgan (907.271.2372, 907.271.1415 fax, ymorgan@denali.gov).